

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 93-478-C - ORDER NO. 94-22 *✓c*
JANUARY 6, 1994

IN RE: Application of Group Long Distance,)	ORDER
Inc. for a Certificate of Public)	APPROVING
Convenience and Necessity to Operate)	CERTIFICATE
as a Reseller of Telecommunications)	
Services within the State of South)	
Carolina.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Group Long Distance, Inc. (GLD or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-8-280 (Supp. 1992) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed GLD to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of GLD's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. GLD complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone and Telegraph

Company (Southern Bell)¹ and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A hearing was commenced on December 21, 1993, at 11:00 a.m., in the Commission's Hearing Room. The Honorable Henry G. Yonce, Chairman, presided. John F. Beach, Esquire, appeared on behalf of the Company. Carl F. McIntosh, Esquire, represented the Consumer Advocate, and Florence P. Belser, Staff Counsel, represented the Commission Staff.

In support of its Application, the Company presented the testimony of Gerald M. Dunne, Jr., President of GLD. Mr. Dunne explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities based reseller. Mr. Dunne described the Company's services, billing procedures, and customer services, and marketing procedures.

Mr. Dunne further testified that GLD intends to offer its services to small and medium sized businesses throughout the state. GLD does not provide operator services, nor does GLD provide 900 type information services. Mr. Dunne also stated that GLD plans to use the long distance facilities of AT&T.

Mr. Dunne testified also about GLD's financial status. Mr. Dunne provided updated financial exhibits for the Commission. Mr. Dunne testified that while GLD has suffered financial losses in the past, GLD has shown a profit for each month since March, 1993. Mr. Dunne further offered that he believes GLD has the

1. Southern Bell subsequently moved to withdraw its Intervention in this Docket and was allowed to withdraw its Intervention by Order No. 93-1147, dated December 16, 1993.

necessary resources to provide its services in South Carolina.

During questioning regarding GLD's proposed tariff, Mr. Dunne testified that GLD would revise its tariff in two areas. First, Mr. Dunne testified that GLD has not required advance payments from its customers in the past and that GLD would withdraw the section of its tariff dealing with advance payments. Secondly, Mr. Dunne stated that GLD would delete from its tariff the phrase in section 2.8.2 which allowed for a late charge of a one time charge of five percent.

Mr. Dunne also admitted that GLD has inadvertently completed intrastate calls in South Carolina. Mr. Dunne further testified that, as of October, 1993, the amount of unauthorized calls was approximately \$153.02. Mr. Dunne also stated that GLD would make refunds of the amounts collected for the unauthorized calls.

After full consideration of the applicable law, the Company's Application, and the evidence presented by the Company, the Consumer Advocate, and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. GLD is incorporated under the laws of the State of Florida, and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. GLD operates as a non-facilities based reseller of interexchange services and wishes to do so on an interLATA basis in South Carolina.

3. GLD has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to GLD to provide intrastate interLATA service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for GLD for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. GLD shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. GLD shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum

rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1992).

4. GLD shall file its revised maximum tariff and an accompanying price list within thirty (30) days of the date of this Order. The revised tariff shall be consistent with the findings of this Order and shall delete section 2.8.1, entitled "Advance Payments," and also delete from section 2.8.2 the phrase pertaining to a one time late charge of five percent. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

5. GLD is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

7. GLD shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If GLD changes underlying carriers, it shall notify the Commission in writing.

8. The Commission finds and concludes that GLD has admitted to providing telecommunications services in South Carolina without authority. Consequently, the Commission determines it is within

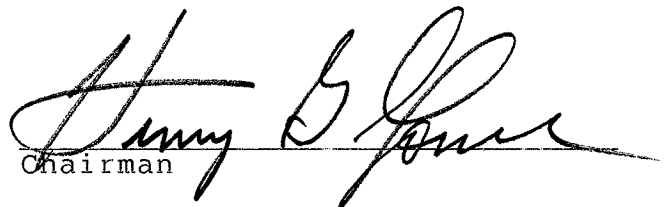
its discretion and is appropriate to require GLD to refund all charges collected by it for completion of intrastate telephone calls prior to receipt of certification, which is deemed to be the date of this Order. The refunds shall be issued within thirty (30) days from the receipt of this Order and shall include interest at the rate of 12% per annum. GLD shall file with the Commission all necessary information to certify the amount of refunds and that the refunds have been made.

9. GLD shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

10. GLD shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

11. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT
PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).